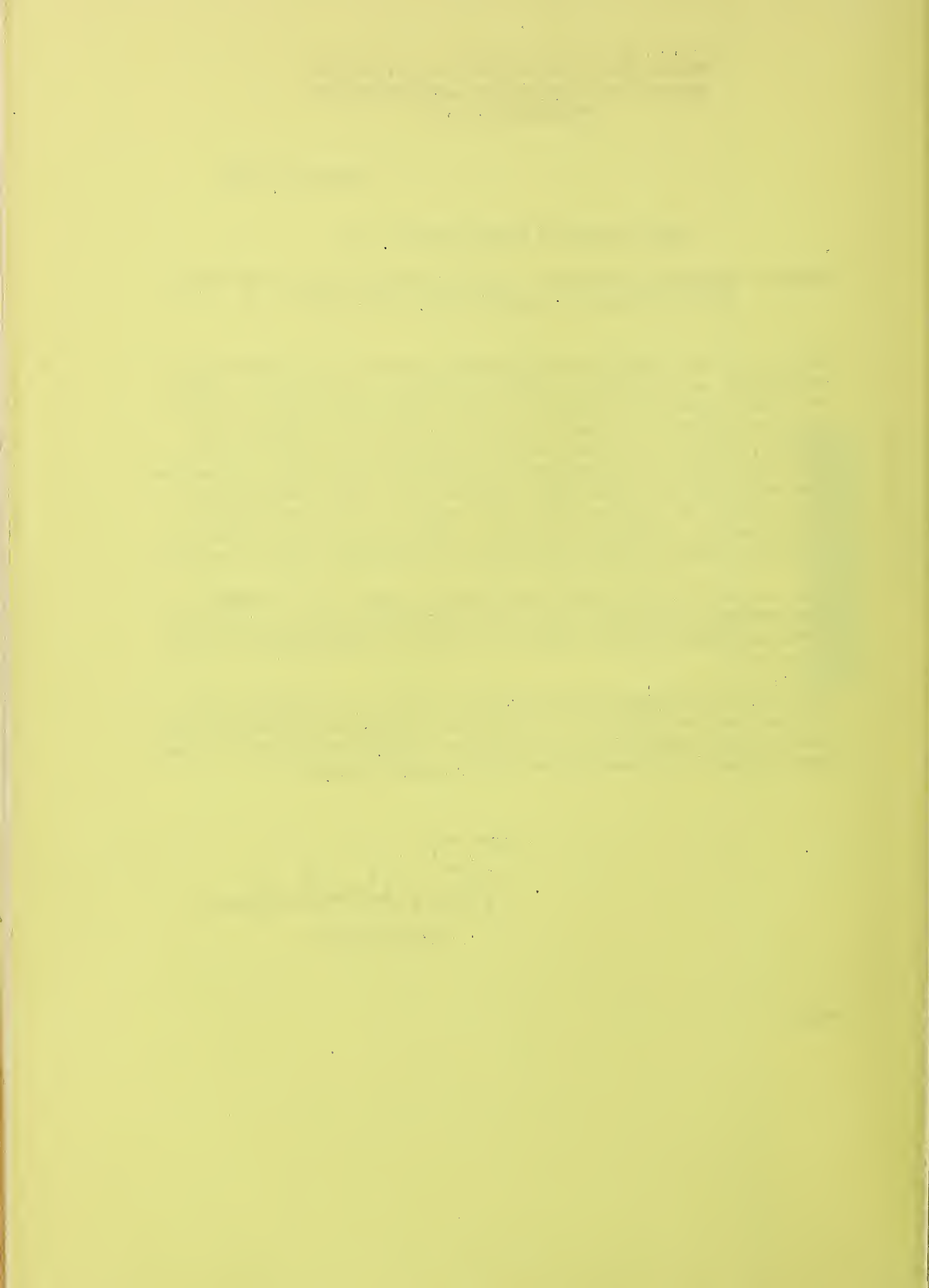


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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Administration
Washington, D. C.

August 7, 1942

ADMINISTRATOR'S MEMORANDUM NO. 23

Policy and Procedure for Diversion and Export Programs

Proposals for Diversion and Export Programs

All communications, inquiries, suggestions, information and recommendations received pertinent to the initiation, formulation, or amendment of a diversion or export program shall be referred to the appropriate commodity branch.

Responsibility for Formulation and Administration of Diversion and Export Programs

The formulation and administration of diversion and export programs are the responsibilities of the various commodity branches. These responsibilities entail the preparation of all diversion and export dockets, the compilation of economic data in justification of the program, limiting the amount of a commodity or commodities on which benefit payments will be made, establishing a maximum expenditure for the commodity or groups of commodities within the docket, fixing the period of the docket, maximum benefit payments, grades and specifications, defining export area or diversion uses, accepting notification or proof of export or diversion, and making all other necessary provisions for administering the program.

It is the responsibility of the commodity branch to notify all of the branches or divisions concerned of any contemplated diversion or export programs, and to request the assistance of such branches and divisions in the formulation of the program. The other branches shall furnish any assistance or information necessary to the commodity branches in the formulation of the program.

Preparation of Documents Required for Diversion and Export Programs

All documents prepared in connection with the program shall carry the assigned program number in the upper right-hand corner of the first page of each document. This number will be assigned by the Docket Clerk.

The memoranda and other documents which must be included in the program docket by the commodity branch recommending the program shall be prepared in the following manner:

1. Memorandum of the Administrator (original and two white copies). This memorandum will be addressed to the Secretary from the Administrator, and shall be for the signature of the Administrator. It is required in connection with all

dockets and shall include a description of the program, a statement of its objectives, economic data and justification for the establishment of the program. This memorandum shall be limited to approximately two pages, and any additional economic data which are essential shall be contained in a statement appended to the memorandum.

2. Memorandum of the Secretary (when involved; original, one salmon copy, and four white copies). This memorandum shall be addressed to the Administrator for the signature of the Secretary, and shall be prepared in those instances in which the Administration is authorized and directed to enter into contracts for the diversion or export of a commodity under specified conditions. It shall include in clear and concise terms the direction to the Administrator to enter into diversion or export contracts and to specify the conditions and circumstances under which such action should be taken. This memorandum shall also set forth the limits of the authority conveyed. Provision shall be made for the Solicitor's signature of approval on the Memorandum of the Secretary. In the event that the Solicitor desires to comment on or disapprove of the docket, the Solicitor will, of course, prepare a separate memorandum to the Secretary.

3. Agreement with Cooperating Agency (when involved and if agreement is to be signed by the Secretary rather than by an agent or representative of the Secretary; three copies executed by the cooperating agency or concern, one salmon copy, and five white unexecuted copies). This document shall be in the form of a contract between the Secretary and the cooperating agency or organization, covering the respective obligations of the parties in connection with the program. The commodity branch shall secure execution of the agreement by the cooperating agency or organization, in triplicate; prior to its inclusion in the docket. In addition to the executed agreement, there should be secured for inclusion in the docket evidence sufficient to establish the authority of the individual signing to execute the agreement on behalf of the agency or organization. (Original and two white copies of each document.)

4. Offer or Announcement (when involved, and if offer or announcement is to be signed by the Secretary rather than by an authorized agent or representative of the Secretary or the Administrator; original, one salmon copy and five white copies). This document shall be prepared for the signature of the Secretary and shall be entitled either "Offer of the Secretary" or "Announcement by the Secretary," whichever is appropriate. It shall be included in the docket whenever the Secretary offers to make certain specified payments, or to pay at certain rates, to any concern or individual complying with the requirements set forth in the offer.

5. Designation of Secretary's Agent (when involved; original, one salmon copy and five white copies. An administrative authority number (assigned by the docket clerk) shall appear on the document, even with the right-hand margin, one inch below the heading). This document shall be prepared for the signature of the Secretary, shall be entitled "Designation of Agent in connection with the _____ Program," and shall be included in the docket whenever the program requires that a number of various actions be taken in the name of the Secretary. It shall designate the Administrator as agent of the Secretary, and authorize the Administrator to designate one or more individuals as agents to perform the necessary actions. These agents shall be known as Agents or

Representatives of the Secretary. This document shall also carefully specify and delimit the authority of the Agents or Representatives of the Secretary, and if such agents or representatives are to exercise discretionary authority, it shall set forth the standards or formulae which must be applied by them. It is desirable that alternates for these agents or representatives be named.

Assembling Diversion and Export Dockets

An original and five folders (if a "Printer's" folder is involved) shall be prepared by the appropriate commodity branch.

1. Three folders (designated respectively "Secretary's Files", "Administrator", and "Solicitor") shall contain one copy of each of the following: (exceptions indicated)

Memorandum of the Secretary
Agreement with the Cooperating Agency)
Offer or Announcement) when involved
Designation of the Secretary's Agent)
(one additional copy in "Adminis-
trator's" folder)

Memorandum of the Administrator (not included in "Administrator's" folder)

(a) All originals shall be in the "Secretary's Files" folder, and the following additional copies shall be clipped in the back:

One white copy of the Memorandum of the Administrator
(marked "Budget and Finance")
One white copy of the Memorandum of the Administrator
(marked "to be initialed")
Two executed copies of the Agreement with the Cooperating Agency.

The salmon copy of the following:

Memorandum of the Secretary
Offer or Announcement
Designation of Secretary's Agent
Agreement with the Cooperating Agency

2. Two folders (designated respectively "Budget and Accounting", and "Audit") shall contain one copy of each of the following:

Memorandum of the Secretary
Agreement with Cooperating Agency)
Offer or Announcement) when involved
Designation or Secretary's Agent)

3. If an Offer, Announcement, or Form(s) developed in connection with the program is involved, one folder (designated "Printer's") shall contain one white legible copy of each of the following:

Offer or Announcement
Form(s).
Duplicating Requisition

Routing and Clearance of Diversion and Export Dockets

1. When assembled, all Diversion and Export dockets shall be sent by messenger to the Docket Clerk, who shall clear them through the following offices in the following order:

Associate Administrator
Administrator
Solicitor

2. After approval by the Office of the Solicitor, that office will append the Secretary's Finding, and send the dockets to the Permanent Records Unit of the Administrative Services Division. When the Solicitor finds it necessary to write an opinion, this will also be included in the docket and sent to the Permanent Records Unit.

When the dockets are received in the Permanent Records Unit, the necessary distribution among the folders of the additional documents furnished by the Solicitor shall be made, and the dockets forwarded by messenger to the Secretary's Files. The Permanent Records Unit shall immediately notify the Marketing Reports Division by telephone that the dockets have been dispatched to the Secretary's Files.

Disposition of Diversion and Export Dockets

1. The Secretary's Files will notify the Permanent Records Unit as soon as dockets have been signed by the Secretary. The Permanent Records Unit shall immediately notify by telephone the originating branch, the Audit, Budget and Accounting, and Marketing Reports Divisions, the Duplicating Section, and Docket Clerk.

2. On receipt of the signed dockets, the Permanent Records Unit will distribute the folders to the offices indicated thereon and obtain the necessary photostatic copies of all original documents signed by the Secretary for the Audit Division and Budget and Accounting Division. Photostatic copies of original documents addressed to the Secretary will also be obtained by the Permanent Records Unit for its files.

3. Originals of documents addressed to the Secretary shall be returned to the Secretary's Files; those signed by the Secretary shall be retained in the Permanent Records files.

4. If an Agreement with a cooperating agency or concern is involved, the Permanent Records Unit shall assign a contract number from its register to the original and copies of the Agreement; shall send the executed original to the Audit Division for transmittal to the General Accounting Office, and one executed copy to the originating Branch for transmittal to the cooperating agency or concern involved; the remaining executed copy of the Agreement will be retained in the Permanent Records files.

Documents executed by Designated Agents or Representatives of the Administrator
in Connection with Diversion and Export Programs

All documents signed by designated agents or representatives of the Administrator which obligate the Administration to pay indemnities upon performance by another party, whether these documents be in the form of agreements, application for allotments, or otherwise, shall be executed by such agents in quadruplicate. The executed original and one copy shall be sent directly to the Audit Division, and one copy to the other party to the contract. The remaining executed copy shall be retained by the Agent or Representative. The Budget and Accounting Division will receive from the Audit Division the originals of such documents before they are sent to the General Accounting Office by the Audit Division.

All documents signed by designated agents or representatives of the Administrator in connection with extension of time for fulfillment of contract provisions, filing of claims, etc., shall be executed by such agent or representative in triplicate with three unexecuted copies, and forwarded to the Permanent Records Unit. The Permanent Records Unit shall send two certified copies and one photo-static copy of the original to the Audit Division; an executed copy to the appropriate branch for transmittal to the other party to the contract, and a copy to the Budget and Accounting Division. The original and one copy will be retained in Permanent Records files.

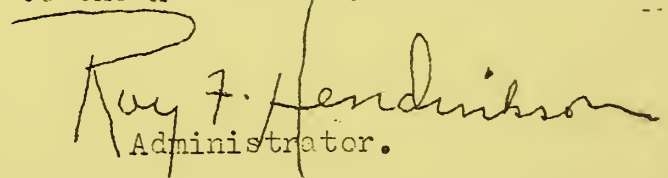
Program Authorizations

Prior to the initiation of any diversion or export agreement pursuant to an approved diversion or export program, the commodity branch shall prepare an authorization for the approval of the Budget Section of the Budget and Accounting Division on the basis of availability of funds. The total amount of the authorization shall be based upon a conservative and realistic estimate of the activity actually anticipated under the program and not necessarily upon the maximum expenditure authorized in the docket. This authorization shall be prepared in original and four copies. The Budget and Accounting Division shall retain a copy of the approved authorization and return the original and remaining copies to the Permanent Records Unit. The Permanent Records Unit shall transmit a copy to the commodity branch concerned, a copy to the Audit Division, and retain the original and one copy for its files.

The Budget Section shall prepare an advice of allotment to the commodity branch based on the amount shown in the authorization. The Budget and Accounting Division shall render to the commodity branches a monthly report on diversion and export programs, showing obligations incurred, outstanding commitments, and the balance of allotments available, in order that funds will be allocated for each program in accordance with anticipated expenditures.

Reports to the Administrator

A weekly report to the Administrator shall be made by the appropriate commodity branch, showing in tabulated form the quantity of the commodity or commodities on which the Administration has agreed to pay benefits or indemnities for diversion or export, the names and locations of the agencies or concerns to which payments will be made, the amount of the indemnity or benefit payment per unit of the commodity, and the cumulative total of the quantities diverted or exported and payments made. Copies of this report shall be sent to the Associate Administrator and the Marketing Reports Division.


Administrator.

